



# Gambling a Bad Investment for Hawaii's Families

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## Gambling is not so benign

Gambling is often presented as a tax on those who can afford to lose it (i.e., money) for the benefit of those who can use it. It is often pictured as a benign entertainment, which can garner lots of money for great causes, like education and long-term care.

The fact is that gambling produces losers. There is no way to beat the odds. In fact, consistent winning is not tolerated by the industry. What does this tell you about the industry, and is it really entertainment? When was the last time you went out and spent \$300 or \$1,000 for entertainment, and who can afford to spend such sums, even sporadically, as gamblers often do?

## Who can afford gambling?

Certainly there are people who can afford to lose substantial sums of money, but not many. The USA is reputed to have the lowest savings rate of any industrialized nation. Fortunately, the USA also has a national retirement program and social benefit programs to catch those who would be destitute without them. But we all pay for these programs, and our ability to keep them afloat is a continuing issue.

The reality is that few people can afford to lose money even if they think they can. Over a person's working life, losses of \$300 annually could mean more than \$132,000 in lost retirement funds, while losses of \$300 quarterly could mean more than \$600,000 in lost retirement funds. How many people can afford such losses, and how much strain would these losses put on the nation, the state, and future workers?

## Gambling puts families at risk

Gambling can also have serious effects on both short-term and intermediate-term family needs. The lure of gambling can cloud one's judgement and wilt one's resolve to invest in more immediate needs and enduring goals. This can mean less money set aside for emergencies and less money available for insurance, education, consumer goods, and the repayment of loans. Any substantial loss of income can decrease financial stability and put a family at risk.



## Gambling fosters irresponsible behavior

Gambling also fosters irresponsible behavior, and irresponsible behavior is something that financial counselors deal with frequently. Irresponsible people harbor the illusion that they can spend money that they don't have, assume loans that they can't pay, and forego savings and investments that they will need. They deny reality and act as if the rules do not apply to them. They often see themselves

as more successful than they are and try to feed this illusion with unrealistic schemes.

Thus, it is easy for such people to believe that they can win at gambling, and losses do little to deter them. In fact, losses tend to escalate their gambling behavior, which is needed to keep their illusions alive. Thus, despite the reality of their situation, they are caught on a treadmill that is as difficult to get off as it is devastating to stay on. Treatment involves helping clients recognize the reality of their situation, overcome their illusions, and find ways to fulfill their needs responsibly.

## Proximity creates problems

This task is much more difficult when the source of enticement is close at hand, open at all hours, endorsed by government, and supported by public interests. Obviously, as the barriers to participation decrease, the propensity for involvement increases.

Yet it is difficult to envision an activity that is so destructive for many people as individuals being beneficial for society as a whole. Do we really think only a few will be adversely affected? And while Las Vegas can rejoice in attracting expectant winners and exporting losers, we would have to live with our losers and take care of them.

Even more troubling is the specter of a growing divide between the haves and have-nots, fueled by losses that are much more difficult for some households to sustain than others. For many of us, gambling is neither harmless nor benign, and bringing it into our midst may be one of those things that some of us have to forego for the good of all of us.